

**Mental Health Services Act
Financial Workgroup Meeting
March 30, 2005**

Financial Glossary

1. **Budget** – Estimate of proposed expenditures prior to actually incurring the expenditures. May or may not reflect actual expenditures. Should be developed using the best information available at the time the budget is developed.
2. **Cost Report** – An annual document prepared by each county that shows the actual costs of various services and programs using accepted accounting methods. The cost report is used as the basis for determining the amount of Medi-Cal funding to which a county is entitled. Also referred to as Short-Doyle/Medi-Cal cost report.
3. **State Audit** – A detailed review by the State Department of Mental Health of each county's financial records. Audit primarily focuses on allowability of expenditures and allocation of costs between programs and accounting for revenue off-sets. Audit typically conducted four to five years after the end of the fiscal year.
4. **Uniform Method of Determining Ability to Pay (UMDAP)** – Sliding fee scale used by counties* to calculate the amount charged to a client for services. Calculated as an annual amount based on a client's income and assets.
5. **Expenditure** – An actual incurred cost.
6. **Administration Costs** – Cost of operating and managing the overall county* mental health program. These costs cannot be tied to the provision of specific services.
7. **Direct Service Costs** – Costs of providing services to clients.
8. **Full-Time Equivalents (FTEs)** – The number of positions calculated assuming a full fiscal year (2,080 hours) after allowing for vacation time, sick leave, holidays, etc.
9. **Proposed Budget per Member per Month** – A calculation that shows the budgeted amount estimated to be spent on each participant per month based on the best information available at the time the budget was prepared. This does not represent a case rate, which is a pre-determined payment amount per client.
10. **Planning Estimate** – A calculated maximum amount of funding available to each county* for expanded mental health services under the MHSA.
11. **Reserve** – An amount set aside and not spent to ensure sufficient funding in years where there is a decline in MHSA revenues.
12. **Pre-Implementation Funding** – Funds available to counties* for continued planning efforts while their Community Services and Supports Program and Expenditure Plan is reviewed by the State.
13. **Maintenance of Effort** – A county's contribution which may be required in order to receive funding. In the case of the MHSA, the maintenance of effort is based on a prior level of funding used for mental health services.
14. **Supplant** – Literally means to take the place of and serve as a substitute for. Thus, MHSA funds are not to take the place of and serve as a substitute for (or replace) existing state or county funds utilized to provide mental health services.

* The term 'county' includes the City of Berkeley in these instances.